

26 VEHICLE PURCHASES

26.1 Definition

Idaho Code 49-123 defines “vehicle” in general as every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices used exclusively upon a stationary rails or tracks. There are also separate definitions for authorized emergency vehicle, commercial vehicle, farm vehicle, foreign vehicle, glider kit vehicle, motor vehicle, multipurpose passenger vehicle, noncommercial vehicle, passenger car, reconstructed or repaired vehicle, salvage vehicle, and total loss vehicle.

26.2 Statewide Contracts

The Division of Purchasing creates statewide contracts for the purchase of new automobiles and pickup trucks. These contracts are mandatory use unless the agency has a need that cannot be met by utilizing these contracts (immediate delivery, used, specialty vehicle, etc.). Vehicles are bid in the fall of each year and are usually in place in November/December. Agencies must submit their requisition to the Division of Purchasing who will place the order with the contractor (a local dealer). Vehicles are built by the factory according to agency specifications and are delivered thru the contracted dealer in approximately 90 days.

Other vehicles (heavy-duty trucks, heavy equipment, buses, snow machines, all-terrain vehicles, etc.) are bid separately on an as needed basis.

26.3 Leases

All leases for vehicles are processed by the Division of Purchasing.

26.4 Agency Purchasing Authority

Agencies requiring vehicles not available on statewide contracts and **costing less than their delegated authority** may purchase vehicles using Request for Quotations methods. The Division of Purchasing has a standard specification form for vehicles that agencies may use for obtaining quotes. All purchases exceeding the agency’s delegated authority must be sent to the Division of Purchasing for processing. Agencies are cautioned against splitting requirements to avoid the formal bidding process in accordance with Idaho Code 59-1026.

26.5 Alternate Fuel Vehicle Requirements

The Energy Policy Act of 1992 (EPAct) requires fleets operated by state governments to acquire alternative fuel vehicles. This requirement was designed to promote the use of nonpetroleum fuels, such as ethanol, methanol, natural gas, propane, hydrogen, and electricity, to reduce U.S. dependence on foreign oil. The regulations focused on building an inventory of vehicles that can use alternative fuels in large light-duty vehicle fleets in metropolitan areas. Beginning in 1997 a “phase-in” schedule was established to allow fleets to comply gradually. In 2001 and beyond, states are required to have 75% of their fleet be alternative fuel vehicles and a certain portion of them must be located in a Metropolitan Statistical Area (such as Ada and Canyon Counties). More information can be found at: **www.ott.doe.gov/epact/state_fleets.html**

To meet this requirement, the Division of Purchasing bids for alternative fuel vehicles on the statewide contracts.

26.5.1 Reporting Requirements

- Fleets must report their alternative fuel vehicle acquisitions annually to the U.S. Department of Energy. The Division of Purchasing collects this information and makes the report.
- If an agency purchases a vehicle within their delegated authority, not on contract, they are encouraged to seek quotes for alternative fuel vehicles.
- All vehicles purchases by agencies must be reported to the Division of Purchasing, indicating whether or not they are alternative fuel capable and identifying the area (city, county, region, etc.) of state in which they will be primarily operated.

26.6 Guidelines for Purchasing Vehicles

When a solicitation (bid or quote) is issued by a state buyer, as part of the specifications or terms and conditions, potential vendors must be notified that they are required to be licensed by the Idaho Transportation Department to sell vehicles. The buyer should require that the potential vendor list their Idaho dealer/representatives license numbers as part of the response.

Purchasing agents or their staff may call the Idaho Transportation Department, Dealer Licensing Team at (208) 334-8681 to verify the license status of a potential vendor.

26.7 Dealer Licensing Requirements

Idaho Motor Vehicle Code section 49-1632 states that **any person** who has “purposeful contacts” within Idaho in connection with the offering or advertising for sale, or has business dealings with respect to **new** (meaning previously untitled) vehicles sales shall be subject to the provisions of the Idaho Dealer and Salesman Licensing Act, Title 49, Chapter 16.

The definition of a “dealer” is found in *section 49-105 D (1)* and includes every person in the business of buying, selling or exchanging 5 or more new or used vehicles in one calendar year. This term includes vendors of **motor vehicles, trailers with a empty or unladen weight of more than 2, 000 lbs, motorcycles (excluding mopeds), off-road all terrain vehicles, snow machines, motor homes and vessels.**

Idaho code 49-502 prohibits the sale of vehicles without having a title (or manufacturer’s certificate of origin) in the name of the seller. Idaho dealers with a current Idaho vehicle dealer’s license are exempted from this provision.

Vendors who sell 5 or more new/used vehicles, of the type under the jurisdiction of the department, in the state of Idaho in a calendar year must license as an Idaho vehicle dealer and have a complying licensed location in the state of Idaho at all times that the license is valid (*Idaho code 49-1601*). The basic requirements for an Idaho Vehicle Dealers License are:

- A surety bond for \$20,000 on the form provided by the Idaho Transportation Department and;
- A physical enclosed building in a area that has been approved by local zoning officials for the sale of the vehicles of the type that vendor wishes to sell. There must be sufficient room for display of 5 or more vehicles at the dealership location.
- A hard-wired telephone at the licensed location that is listed and answered in the name of vendor. Cellular or other mobile telephones do not meet this requirement.
- A retail dealer or his licensed salesman must be available at the licensed location for a minimum of 20 hours or more per week. Wholesale dealers only have to be in their office one hour per week.
- Any person who makes sales or solicitations of sales of vehicles under the jurisdiction of the department on behalf of a licensed dealer must be licensed under the sponsorship as a vehicle salesman. (*Idaho code 49-123-4*)

- A dealer of new vehicles is also required to file copies of any sales agreements or franchises for any new vehicles that the dealer has been enfranchised to sell.

There are other minor dealer license requirements. Please call the Dealer Licensing Team at (208) 334-8681 for a detailed Dealer License Application fact sheet and dealer license application.

Vendors who sell less than 5 new vehicles in the state of *Idaho in a calendar year may comply with the licensing requirements of 49-1632* by applying for an Idaho distributor's license (*Idaho code 49-1606-5*). The annual cost of this license is \$100. The license term is from January 1st and expires on December 31 of each calendar year. There are no bonding requirements and a physical office location is not required in the state of Idaho. A sales agreement or franchise agreement for the new vehicles that the vendor is selling is required. The sales agreement or franchise must list a sales territory in the state of Idaho to be acceptable.

Each representative who makes sales calls or solicitations to Idaho customers on behalf of a licensed distributor also is required to license on annual basis for a \$25.00 license fee.

Vendors who license with the Idaho Transportation Department (ITD) to qualify to submit bids for new vehicles or other equipment that comes under the jurisdiction of the department may call the ITD Dealer Licensing Team at (208) 334-8681 for licensing assistance or explanation of the current Idaho licensing requirements.

For questions or a more detailed explanation of the licensing requirements required by the Idaho Dealer & Salesman Licensing Act, please call T. Rex Green, Dealer Operations and Investigations Program Supervisor at (208) 334-8687 or email rgreen@itd.state.id.state.us. You may also call Peggy Anderson, Dealer Licensing Team Supervisor at (208) 334- 8675 or email panderso@itd.state.id.us.

Dealer Licensing information can also be found at the ITD Division of Motor Vehicles web site at http://www2.state.id.us/itd/dmv/Vehicleservices/vs_dealr.htm

26.8 Statutes Pertaining to Dealers

Extensive Idaho Statutes pertaining to vehicles are found in Title 49, Chapters 1 – 36. Here are a few of the key ones referenced in this document.

I. C. 49-105. DEFINITIONS -- D.

(1) "Dealer" means every person in the business of buying, selling or exchanging five (5) or more new or used vehicles, new or used motorcycles, snow machines or motor scooters, travel trailers, all-terrain vehicles or motor homes in any calendar year, either outright or on conditional sale, bailment, lease, chattel mortgage, or otherwise, or who has an established place of business for the sale, lease, trade, or display of these vehicles. No insurance company, bank, finance company, public utilities company, or other person coming into possession of any vehicle, as an incident to its regular business, who shall sell that vehicle under any contractual rights it may have, shall be considered a dealer. See also "salvage pool", section 49-120, Idaho Code.

I.C. 49-1601. UNLICENSED DEALERS AND SALESMEN PROHIBITED.

It shall be unlawful for any person to act as a dealer or salesman, wholesaler, manufacturer of vehicles or a manufacturer, distributor, factory branch, or distributor branch representative, without first having procured a license from the department. It shall be unlawful for any person other than a licensed dealer to display a vehicle for sale unless the title is in the name of the displayer. It shall be unlawful to solicit sales of vehicles without a dealer's license, unless the title is in the name of the seller. The provisions of this section shall not apply to the sale or solicitation of specialty vehicles to governmental entities within the state.

Specialty vehicles shall be defined as fire trucks, fire engines, urban transit buses, ambulances, street sweepers and hazardous material response vehicles.

I.C. 49-1632 (1) APPLICABILITY OF CHAPTER

(1) Any person who engages directly or indirectly in purposeful contacts within this state in connection with the offering or advertising for sale, or has business dealings with respect to a new vehicle sale within this state, shall be subject to the provisions of this chapter and shall be subject to the jurisdiction of the courts of this state.